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Supreme Court of the United States

October Term, 1947

No. 784

WHITIN MACHINE WORKS, a corporation,
Petitioner,

vs.

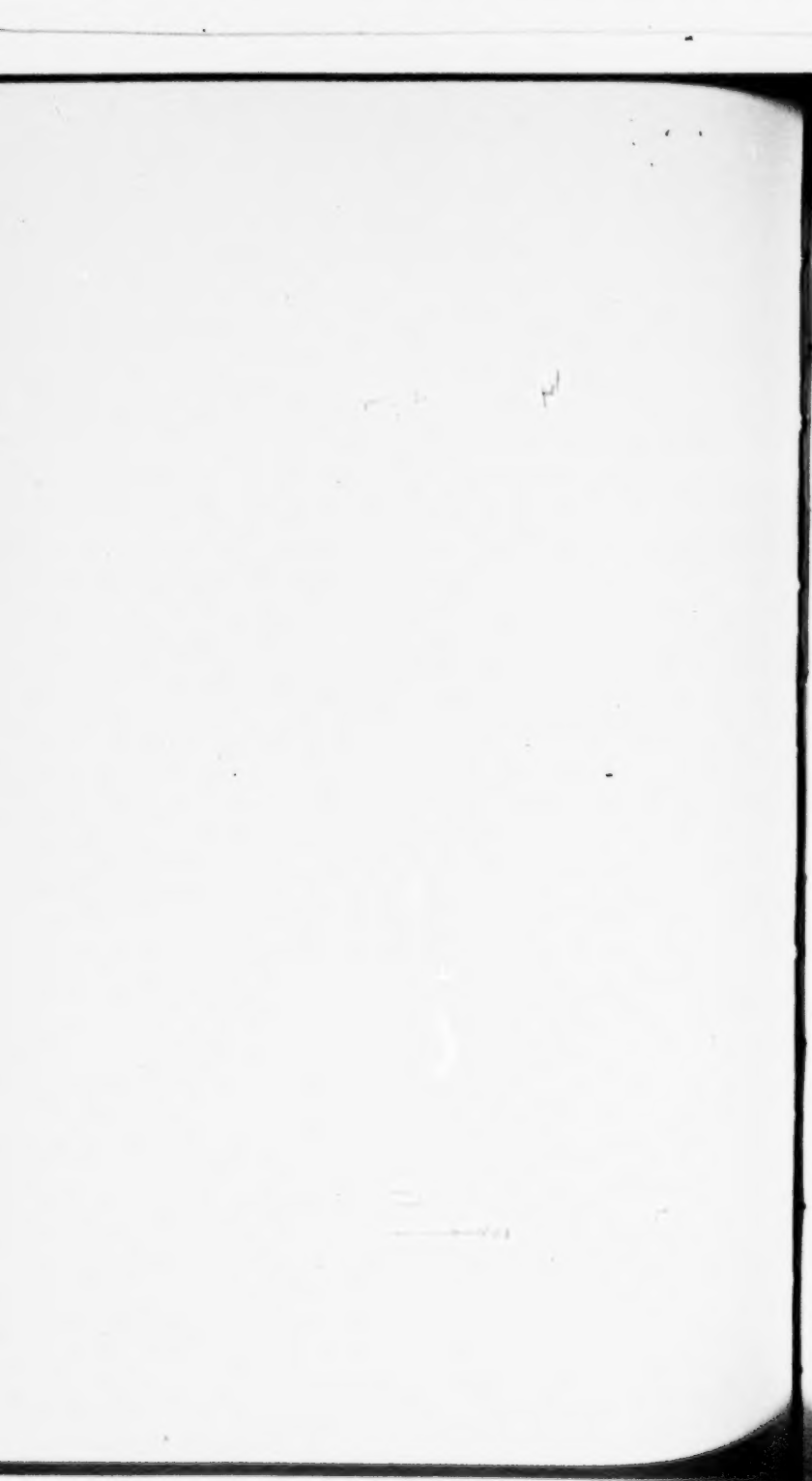
WILLIAM G. REYNOLDS, EDGAR A. TERRELL,
and THE TERRELL MACHINE COMPANY, a
corporation,

Respondents.

BRIEF FOR RESPONDENTS

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WHITIN MACHINE WORKS, a corporation,
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WILLIAM G. REYNOLDS, EDGAR A. TERRELL,
and THE TERRELL MACHINE COMPANY,
a corporation,
Respondents.

No.

Brief For Respondents

STATEMENT OF THE CASE

Proceedings in the Lower Courts

The portion of the case upon which petitioner seeks review by certiorari arises upon the petitioner's counter-claim for a declaratory judgment upon the question of validity and infringement of patents owned by the plaintiffs (1 App. 19-21).*

* References in this brief are as follows:

R.—Refers to the Record of the Proceedings in the United States Circuit Court of Appeals printed in connection with the Petition for Certiorari.

1 App.—Refers to the Appendix to the brief of the plaintiffs appellants in the United States Circuit Court of Appeals filed pursuant to stipulation. (R. 22).

2 App.—Refers to the Appendix to the brief of the plaintiffs—appellees in the United States Circuit Court of Appeals for the Fourth Circuit, filed pursuant to Stipulation. (R. 22).

DA I.—Refers to volume I of the Appendix to the brief of the defendant appellee and cross-appellant in the United States Circuit Court of Appeals filed pursuant to stipulation (R. 22).

DA II.—Refers to volume II of the Appendix to the brief of the defendant appellee and cross-appellant in the United States Circuit Court of Appeals filed pursuant to stipulation (R. 22).

The case was tried without a jury and the District Judge found the facts (1 App. 29-47). In the course of the trial the first Reynolds patent was eliminated from consideration. The trial court adjudged the second Reynolds patent, No. 2,238,659 valid and infringed. The claims Nos. 15, 22, 25, 27 and 28 specifically dealt with are copied in full in the opinion of the Circuit Court of Appeals (R. 10-11).

The first Reynolds patent, No. 1,738,796, appears in the record, (DA II. 619, et seq.). The second Reynolds patent appears in the record (DA II. 624, et seq.).

On appeal to the Circuit Court of Appeals for the Fourth Circuit, the judgment of the District Court was affirmed and the opinion of the Circuit Court is printed in the record (R. 3-20). As will be seen from that opinion, the Circuit Court of Appeals had previously considered the same patents in the case of *Saco-Lowell Shops v. Reynolds*, 141 Fed. (2d) 587. This case and the *Saco-Lowell* case were tried by the same District Judge, and both the District Court and the Circuit Court of Appeals for the Fourth Circuit have given the patents in question the most careful consideration, as will appear from their opinions in the record before this Court.

Petitioner's Statement Not Acceptable

The petitioner's statement of the case is not acceptable to the respondents, because:

1. It omits essential facts, and
2. It contains statements in direct conflict with the findings of the lower courts, which findings are fully supported by the evidence. It therefore devolves upon the respondents to make a brief statement of the facts with references to the record, in the course of which some of the inaccuracies in the petitioner's statement will be mentioned.

The Ownership of the Patent in Suit

The plaintiff Reynolds, the inventor of the process and machines of the two Reynolds patents here involved, is a practical mill man, who has spent his active life first in working in various cotton mills and, secondly, from 1923 to 1934, working continuously on the inventions in suit. (Finding of Fact No. 1, 1 App. 29) To obtain financial help and technical assistance, he assigned a half interest in his invention to his co-plaintiff. (Finding of Fact No. 2, 1 App. 29)

State Of The Art Prior To Reynolds Invention

The petitioner deals with this subject under the heading "The General Subject Matter" beginning on page 2 of the printed petition. In doing so, the petitioner omits to point out that all commercial roving machines, prior to the invention of Reynolds, employed twist, and that Reynolds deals throughout with an untwisted strand. The conventional system of roving is described in the District Court's Finding No. 3, (1 App. 30). The only commercial roving system taking two material drafts on a single machine, other than that of Reynolds, up to and including 1935, was the so-called Casablanco system, using a twister head for consolidating the strand for a succeeding draft. The first of these machines was placed on the market in December, 1934. (See Finding 39, 1 App. 42). The Court there found that the Reynolds system is based on reforming without twist and is not similar to the Casablanco system. As admitted by the defendant, the conventional system employed a twist at the end of each process, and then required another machine for a succeeding draft.

The petitioner, on page 3 of the petition, in a footnote, makes the broad statement that prior art patents "clearly anticipate Reynolds". The District Court found, (1 App. 41 and 42, Findings 37 and 38) the exact opposite. The Circuit Court of Appeals

came to the same conclusion, quoting its prior opinion in the Saco-Lowell case, with reference to the old patents cited there, and then examining carefully the additional prior art patents cited in this case and not cited in the Saco-Lowell case. (R. 11-14)

Aside from the Casablancas machines using a false twist, the other efforts in multi stage drafting in one process prior to Reynolds had been unsuccessful, and had been principally along the line of a simple condensing of the strand in an attempt to consolidate it for a succeeding draft.

It is clear from the evidence that none of them had proposed folding the strand as did Reynolds. The trial court expressly found, on ample evidence, that none of the prior art involved the two new principles of the second Reynolds patent hereinafter discussed. (See findings 37 and 38. 1 App. 41-42)

The Reynolds Invention And The Two Reynolds Patents

The plaintiff Reynolds conceived the idea of re-forming the strand without twist by a folding operation, and after working from 1923 to 1927 on this idea, applied for his first patent involving a machine with tongued and grooved rolls to fold a strand in preparation for a second draft, on the same machine. Illustrations of this machine will be found in the drawings of the first patent (DA. II, 619.) It is important to note that the rolls on this machine are all on the same plane and that the strand travels through them in a straight line. The machine had no provision for controlling the tendency of the strand to expand and disintegrate while being folded. This tendency is a fact on which there was no controversy. It is stated in Finding 5 (a) (1 App. 31.) Nor was there any provision in the first patent against the development of a fullness in a portion of the cross section of the strand incident to folding. The fact that such a fullness developed is covered by the Court's Findings 5 (b) (1 App. 31)

After experimenting for some six years more and studying the problems just stated, Reynolds found the answer to both problems and this discovery of his constitutes the invention of the second patent.

As shown by the patent, it involved both a process and mechanism to practice the process. See Patent DA II, 624 et seq. The findings of the Court as to what was involved in the way of new principles in this invention are Findings No. 6 and No. 7. Concepts b and c, set out in Finding 6, which have been briefly referred to as "control" and "take up" constitute the new principles of the second patent. The mechanism used in the beginning, as set out in Finding No. 9, (1 App. 32) was a tongued and grooved roll arrangement wherein the rolls of the second drafting stage were set on a lower plane than those of the first drafting stage. This is illustrated in Figure I of the second patent at DA II, page 624. The specifications expressly disclosed the object of control to be gained by cascading. (The patent, P. 1, Col. 1, lines 23-55; DA II. 627).

At pages 4 and 5 of the petition for certiorari, the petitioner refers to this offset relation of the rolls as cascading; does not mention the underlying principle of control; asserts that the improvement lies solely in the mechanical manifestation of cascading the rolls, and then characterizes this as a truly minor improvement. It makes the unqualified statement that the petitioner "does not use it (cascading) or its equivalent." This is contrary to the evidence and the findings of both of the lower courts. The District Court's Finding, No. 31, quoted in full by the Circuit Court of Appeals (R. 15) is to the effect that the petitioner, in its device, uses the equivalent of cascading of the rolls. In other findings (1 App. 40-41; Findings 34-34a), the Court also found that the petitioner's machines, as commercially installed, practiced the process of the Reynolds' invention and infringed the process claims.

When the petitioner was developing its infringing device, it did not consider the improvement minor nor merely structural as is amply evidenced by its improvement records (2 App. 348-350) where the object of its improvement was stated to be to "effectively put the roving under control" and "to prevent the spreading of the fibers" between drafting fields; and by its advertising matter (2 App. 8-13) emphasizing the control of the fibers accomplished with its device and hailing it as "a major development in the textile art". (Top 2 App. 11)

The District Court's finding No. 8, (1 App. 32) characterizes the Reynolds invention as a distinct forward step in the progress of the art. That it was the improvements of the second patent over the first that brought success is covered by the Court's findings 5 to 7 (1 App. 30-32).

But both Saco-Lowell and Whitin had more information from Reynolds than the cascading of the rolls, and the second patent included additional disclosures of a specific nature.

While at Saco-Lowell Shops Reynolds had made a stationary grooved member to replace the grooved roll in the original mechanism; discussed this with Vice-President Banfield (later employed by Whitin) and included reference to it in the specifications of the second patent. (Finding 14; 1 App. 34) (And see the patent P. 4, Col. 1, lines 50-53. DA. II 630).

This stationary folding device idea was adopted by both Saco-Lowell and Whitin in their efforts to appropriate the Reynolds invention without paying for it. They so designed and placed their stationary folders as to divert the strand from a straight line and get the same result as was gotten with cascading; and by an equivalent mechanism.

The take-up, disclosed in the second patent (P. 3, col. 2, lines 57-70; DA II, 629) and claimed in combination with folding in Claim 25 was the subject matter of the interference proceeding,

and as will be pointed out hereafter, claim 25 has all the presumptions in its favor resulting from a contested course in the patent office.

The Interference Proceeding

The petitioner, undertakes to show an improper extension of plaintiff's patent monopoly. In doing so it calls attention to the length of time that the application for the second Reynolds patent was pending in the patent office. It fails to call attention to the fact that a considerable portion of this delay was caused by a bitter fight in an interference proceeding in which Saco-Lowell Shops, and the petitioner, combined their forces in an attempt to defeat certain claims of the Reynolds patent. This collaboration persisted particularly after the petitioner had been adjudged not entitled to the claims which it had adopted, and which were first inserted in the Reynolds patent. The correspondence between the attorneys for these two powerful machinery manufacturers combining to fight the Reynolds patent while Saco-Lowell Shops was a licensee under the patent application is set out in the record. (2 App. 356-372).

The four claims of the interference emerged from that proceeding as claims allowable in the Reynolds application, but, by a private demonstration made in the patent office by the attorneys for petitioner after the interference proceeding had been terminated as to it, the patent examiner was persuaded to disallow three of the interference claims. The fourth issued in the Reynolds second patent as Claim 25 and is one of the claims found to be valid and infringed by the courts below. Before this interference proceeding was initiated, petitioner, as found by the courts below, had set out to appropriate the substance of the Reynolds invention while technically avoiding infringement. Its star chamber effort to defeat certain claims in the interference proceeding was but a part of this same project. See the opinion of the Circuit Court of Appeals on this phase of the case.

(R. 9, bottom). So close was the cooperation of petitioner and Saco-Lowell, the plaintiff's licensee, in that effort, that the District Judge, in his opinion, made the following remark: (DA I. 30) "If these manufacturers are competitors, their joint conduct and effort to defeat Reynolds' claims raises a serious question about that competition."

Petitioner's Attempt To Appropriate The Reynolds Invention

Upon ample evidence, the District Court found that on July 1, 1935, the petitioner here employed F. E. Banfield, theretofore Vice-President and Works Manager of Saco-Lowell Shops and shortly thereafter began the development of the devices charged here to infringe the plaintiff's patent; that Banfield, while working in a confidential relationship with Reynolds at Saco-Lowell Shops, had obtained full information as to the principles of the Reynolds invention, including the use of stationary folding devices and that in breach of that confidence he had disclosed that information to the petitioner, and it had been used by the petitioner with guilty knowledge in developing the accused device. (See Findings 21 through 27, 1 App. 36-38)

The petitioner, through its employees Brandt and Schlums, obtained two patents on the devices accused here, which are set out in the record as plaintiff's exhibits (2 App. 402 and 408). A reading of these patents themselves shows that the petitioner adopted the take-up of Reynolds, and that the so-called skew plate, in its relationship with the other elements of the roving frame, is the equivalent of the cascading in the tongued and grooved roll arrangement of Reynolds. See finding 29 (1 App. 38)

The findings of the District Court on infringement were clear-cut and the Circuit Court of Appeals (R. 18) stated: "There can be no question but this constituted infringement of the machine claims, as well as the process claims of the patent."

The conduct of the petitioner established by the findings of fact is deemed material in answer to the petitioner's arguments II (b), page 17 of its brief and V, pages 23 and 24. Here it is the petitioner whose hands are unclean, and whose conduct would preclude resort to equitable remedies or defenses.

Petitioner not only manufactures and sells machinery which is designed solely to practice the process of the Reynolds patent, it also:

- (1) installs such machinery in the mill, (2 App. 108) and
- (2) in connection with such installations operates the roving machines in the mills and therein actually practices the process. (2 App. 351)

Prior Litigation

In addition to the fact that the second Reynolds patent had a long and contested course through the Patent Office, where much of the prior art now relied upon by petitioner was cited against it, the patent has been thoroughly considered by the District Court and the Circuit Court of Appeals in the prior case of *Saco-Lowell Shops v. Reynolds, et al*, 141 Fed. (2d) 587. While Saco-Lowell Shops was a licensee, estopped to deny validity of the patent, it was entitled to, and did, undertake to limit the scope of the patent so as to accomplish the same purpose, and it was, therefore, necessary for the courts in that case to go thoroughly into the question of the prior art and the scope of the Reynolds invention.

Petitioner's Statement of the Extent of the Domination of the Second Reynolds Patent Is Entirely Too Broad

In the statement of its first ground for granting the writ, the petitioner, in the heading, uses the terms "Virtual patent domination of an entire industry". In the body of the statement under this point, this broad statement is somewhat limited in scope.

The petition fails to point out the place of the machinery covered by this invention in the total machinery of a cotton mill. As will appear from the testimony of the defendant's witness, Mr. Merrill, (DA I, 390, et seq.), the roving process involved in this litigation is only one in a series of several processes for the manufacture of cotton yarn. The machines in the order of their use, as stated by Mr. Merrill, are as follows:

- Opening machines
- Pickers
- Cards
- Combers
- Drawing frames
- Roving machines
- Spinning machines

After the cotton yarn is made, the textile industry then weaves it into cloth, involving the following additional operations:

- Spooling
- Warping
- Slashing
- Weaving
- Finishing
- Sizing
- Mercerizing
- Bleaching
- Dyeing
- Printing
- Napping
- Folding

The invention involved here is concerned only with roving, which is one of the processes in the spinning mill.

Moreover, the Reynolds patent does not involve the entire roving machine, but simply the drafting elements thereon, and

the license agreement with Saco-Lowell Shops based the royalty on this part of the machine only.

The patent domination is of a very small segment, only, of the textile machinery manufacturing industry. The public interest involved is insignificant in comparison to the asserted fact in the petition that petitioner and its collaborator in the interference proceeding, Saco-Lowell Shops, control eighty to ninety percent of the industry for building machinery of this type. These two concerns do not limit themselves to roving machines, but, build complete equipment for a spinning mill.

Since this record demonstrates the closeness with which they operate in defiance of respondents' patent, it is fair to assume that they are working in entire harmony in other branches of the trade as well.

Summary of Argument

I. The record makes no case for granting certiorari on the basis of patent domination of an entire, or even a major part of, an industry.

II. No conflict with decisions of this Court.

III. Question stated by petitioner not involved. Case tried on Theory that Claims 15 and 22 are subject to R. S. 4888.

IV. No unlawful extension of the patent monopoly.

V. Decisions of Courts below that process claims were infringed is correct.

ARGUMENT

I.

The Record Makes No Case For Granting Certiorari on the Basis of Patent Domination of an Entire, or Even a Major Part of, an Industry

The petitioner's argument in this respect is based on a wrong premise.

1. Roving machinery as a whole involves only a small part of the total machinery of a cotton spinning mill; and much less proportionally of the machinery of the textile industry. (Ante P. 10)

2. The patent does not purport to cover, and royalties are not based upon the price of, an entire roving frame, but only on the drafting elements, the parts covered by the patent, thereof. (2 App. 155, bottom).

3. Many mills still use the conventional system of roving not covered by the Reynolds patent (2 App. 241).

4. Other mills use Casablancas machines which are not within the patent. (DA 587). Petitioner is free to manufacture them. Petitioner's witness, Mr. West testified in reference to Casablancas "The twister head in my opinion is one of the best condensing devices there is." (DA. 589); and "there is no improvement in the product by the use of the quarter turn guide" (DA. 591-592), and that Clark Thread Company had recently requested ten more frames (Casablancas) in addition to thirty-one already in use and that a total of 12,880 spindles using the Casablancas twister head have been sold (DA 587).

5. Petitioner cites no evidence to support its statement as to the proportion of machinery manufactured by it and Saco-Lowell Shops; but assuming that the statement is correct, it is obvious that roving machinery is a small portion of the whole.

The fact that Saco-Lowell Shops while paying a royalty under the license agreement, while Whitin paid none, has been able to maintain its position as one of the two large builders of this kind of machinery, is an indication that the tribute of this particular patent is an insignificant element in any competition between these two giant machinery builders, and that the public is not affected.

II.

No Conflict With Decisions of This Court

(a) R. S. 4888 Fully Complied With

The claims of the Reynolds patent that were found to be infringed fully comply with the requirements of R. S. 4888.

Petitioner contends that the three mechanical claims 25, 27, and 28, fall within the case of *Halliburton Oil Well Cementing Company v. Walker*, 329 U.S. 1, in which claims were condemned because, as the Court said: "Neither in the specification, the drawing, nor in the claims here under consideration, was there any indication that the patentee contemplated any specific structural alternative for the acoustical resonator or for the resonator's relationship to the other parts of the machine," and because the claims barred anyone from using any device theretofore or thereafter invented which performed the function of catching and recording echoes with regularity.

The *Halliburton* case does not apply to the Reynolds patent because:

(1) The mechanical claims 25, 27, and 28 cover, as was true in the case of *Continental Paper Bag Company v. Eastern Paper Bag Company*, 210 U.S. 405, the physical and operating relationship of all the crucial parts of the novel combination; that is, they cover all the entire assembly of elements that make up the machine for drafting the sliver of cotton into a roving ready

to spin into yarn, and cover the parts of the machine as Reynolds depicted them in his drawings and described them in his specifications.

(2) The claims are to be read in the light of the specifications, and the specifications do disclose the mechanical structure of the invention.

(3) The Reynolds claims do not bar others from using any device heretofore or hereafter invented to perform the same function as the Reynolds invention, and this is conclusively demonstrated by the fact that the Casablancas machine, referred to above, performs the same function as the Reynolds machine, but does it differently by using a false twist. In addition to this, the machines which perform the same function by condensing the sliver of cotton use a principle different from the Reynolds principle in performing the same function that the Reynolds machine performs, although none of these condensing machines have been commercially successful.

The claims involved in this case are clearly valid under the *Continental Paper Bag Company* case, *supra*, and do not fall within the *Halliburton* case, *supra*. The *Continental Paper Bag* case was distinguished and approved in the *Halliburton* case.

We may call attention to the fact that this Court has, at the present term, denied certiorari in at least two cases in which the rule of the *Halliburton Case* was depended upon as a basis of the petition: *A. B. T. Mfg. Co. v. National Slug Rejectors Co.*, No. 506, October Term 1947; *General Motors Corp. v. Kessling*, No. 558, October Term 1947.

As to claim 25, petitioner contends that the part of this claim designated as 4(c), on page 14 of petitioner's brief, is old, but the District Court and the Circuit Court of Appeals found otherwise. Pages 14 and 15, opinion of the Circuit Court of Appeals. This claim is for a combination of elements (1) to fold the

sliver, and (2) to take up the slack in portions of the cross-section of the sliver occasioned by the folding. Folding alone was already a part of the art, being disclosed in the first Reynolds patent. It was folding in combination with the take-up that made claim 25 allowable over the first Reynolds patent.

The form of the claim was based upon the necessity of including in it *all* the elements of the combination, both new and old, so as to set forth completely the entire combination claimed for "drafting fibrous material in strand form". It is, of course, axiomatic in the law of patents that a valid combination may exist, although *all the elements* are severally old.

Claim 25 was originally claim 37 in the application for the second Reynolds patent and was adopted by petitioner in the interference proceeding when petitioner, as owner of the patent on the very device which has been held in this case to infringe the Reynolds patent, was made a party to the interference proceeding. Petitioner contended in the patent office that this claim, as well as the others in the interference proceeding, was unpatentable, because it was anticipated by prior art, *and its skilled and resourceful patent attorneys evidently considered it a valid claim, so far as R. S. 4888 was concerned, at that time.*

Petitioner apparently seeks to create the impression that the Circuit Court did not give proper consideration to its contention that these claims were invalid under R. S. 4888, but the opposite is true, as shown by an examination of the opinion, which sets out the five claims in full, and shows that each was carefully examined and considered.

What we have said above applies to claims 27 and 28, as well as to 25, as the reading of claims 27 and 28 will demonstrate. The subject matter of claims 27 and 28 was asserted in the patent application from the beginning, and the basis for them is found in the specifications.

(b) Claims 27 and 28 Not Invalid Because of Late Filing

Petitioner contends that the opinion of the Circuit Court is in conflict with decisions of this Court, because claims 27 and 28 were inserted in the patent application too late. This is not true, because petitioner had no bona fide intervening rights to be protected, but was a wrong-doer in that it wrongfully acquired knowledge of and wrongfully used the Reynolds invention.

The basis of claims 27 and 28 was laid in the specifications of the application for the second Reynolds patent where it is said, page 4, column 1, line 50 of the patent, (DA II, page 630): "It is contemplated in certain cases to have the groove remain completely at rest at one or more of the locations occupied by Rolls 9, 31, 43, or 51."

In the *Saco-Lowell* case, 141 Fed. (2d) 587, Saco-Lowell Company attacked these claims on exactly the same ground of late filing. In that case, the Court found that the rule of *Webster v. Spliendorf* case did not apply, because Saco-Lowell Company had no bona fide intervening rights to be protected. Saco-Lowell Company did not apply for certiorari.

In this case, as pointed out above, the District Court found that the petitioner wrongfully acquired knowledge of and wrongfully used the Reynolds invention and had no intervening rights to be protected. In its opinion in this case, the Circuit Court said that there were no bona fide intervening rights to be protected, but merely an attempt on the part of the petitioner to perpetrate a wrong by the appropriation of what in equity, good conscience, and common honesty belongs to respondents.

In view of the findings of fact in the District Court, affirmed by the Circuit Court of Appeals and supported by ample evi-

dence, there are no intervening rights of the petitioner, and the case was properly held governed in that respect by the decisions of the Supreme Court in the following cases:

Overland v. Packard, 274 U.S. 417

Crown Cork & Seal Co. v. Gutmann Co., 304 U.S. 159

General Talking Pictures Corp. v. Western Electric Co., 304 U.S. 175

III.

Question Stated By Petitioner Not Involved. Case Tried On Theory That Claims 15 and 22 Are Subject To R. S. 4888

Petitioner contends that there is a question in this case as to whether "mechanical method" claims are subject to the requirements of R. S. 4888. There is no such question in the case, and it was not raised in either of the lower Courts.

Claims 15 and 22 are the claims which petitioner seeks to characterize as "mechanical method" claims. Throughout this litigation, both in the District Court and the Circuit Court of Appeals, these claims were treated as process claims. Respondents have never contended that the provisions of R. S. 4888 do not apply to these claims as process claims, and the case was tried on the theory that the statute does apply to them.

The patent statutes contemplate that a patent may be given on an art, R. S. 4888 and R. S. 4892. R. S. 4892 refers to the "first inventor or discoverer of the art . . . for which he solicits a patent". It is settled law that "art" means "process"; that is, that patents on process are permitted.

The Circuit Court in its opinion did not apply any "lower standard of definiteness" to these process claims than to the other claims. There being nothing in the opinion to the contrary,

it must be assumed that the Court applied exactly the same standard of definiteness to process and mechanical claims, bearing in mind that in the case of process claims R. S. 4888 must, of necessity, be applied without reference to specific instrumentalities.

A machine may be described in a patent whose function it is to do the acts described in the process, and this does not render the process claim functional. *Waxham v. Smith*, 294 U.S. 20.

A process for purely mechanical operations under the established law is patentable. *Expanded Metal Company v. Bradford*, 214 U.S. 366.

The inventor of a process is entitled to broad claims which define the invention without reference to specific instrumentalities. *Smith v. Snow*, 294 U.S. 1.

IV.

No Unlawful Extension of the Patent Monopoly

Petitioner bases its argument under heading IV on the premise that the second Reynolds patent discloses nothing but a minor structural difference from the machine of the first patent and that the accused machine does not utilize that difference.

This involves factual assumptions which are incorrect and expressly found against the Petitioner by both lower Courts on ample evidence.

The District Court found in effect, and the Circuit Court agreed, that the second Reynolds patent added to the first Reynolds patent two new concepts with practical means for using them (R. 13); that these new concepts and means converted failure into success (R. 13); that they are covered by process and mechanism claims in the second patent (R. 14); that the petitioner's machines utilize the concepts and incorporate equiv-

alents of the mechanism (R. 8); and that the petitioner's devices infringe the claims. (R. 16)

These were questions of fact. The petitioner does not undertake to show that the findings were unsupported by substantial evidence. In the absence of such showing the Supreme Court will not review the findings.

Coupe v. Royer, 155 U.S. 565

United States v. Esnault-Pelterie, 303 U.S. 26

In the face of evidence elicited from its own witnesses (for instance 2 App. 239-240); evidence on behalf of plaintiffs; petitioner's improvement records and advertising matter (ante P. 6); the findings of the District Court; and the findings of the Circuit Court; all to the effect that the invention of the second patent constituted a great step forward in the art; petitioner persists in the assertion that the improvement is a minor structural one. In the face of equally strong evidence and findings on infringement, petitioner persists in the assertion that it does not infringe.

These assertions of the petitioner are without foundation. They are the basis of petitioner's citation of authority. The authorities are as inapplicable as the assertions of fact are unfounded.

V.

Decision of Courts Below That Process Claims Were Infringed Is Correct

Petitioner contends that this Court should review the decision of the Circuit Court on the ground that the Court erroneously held that petitioner infringed the two process claims 15 and 22, because petitioner does not use the process. This point was brief-

ly mentioned by petitioner at page 71 of its main brief. The Circuit Court in its opinion discussed the process claims and held that they were infringed. It did not mention the exact point made by petitioner here, to-wit, that petitioner does not use the machines in manufacturing cotton roving, but this does not mean that the Court did not consider the point, because it was not practicable for the Court to discuss all of the minutiae of controversy mentioned in the briefs, since, as the District Judge said: "Every inch has been hotly contested by brilliant counsel, who have injected into this case virtually *the entire works of patent law.*" (See footnote on p. 21 of petitioner's brief.) Besides, it will be presumed,—in the absence of proof to the contrary, and there is none,—that petitioner tried out its machines before and at the time of installing them; and in doing so, must have practiced the methods for which the machines were designed.

There was evidence to the effect that petitioner actually *used* the infringing device for the purpose of making cotton roving. Petitioner's records show that it installed a roving frame containing the infringing device at Interlaken Mill and had operated it for the purpose of making cotton roving for six weeks at the time the record was made; and operated the infringing device for the purpose of making cotton roving at J. & P. Coats for a time, the duration of which is not shown. (2 App. 351).

Petitioner manufactures, sells, and installs machines to manufacture cotton roving, in which is included the mechanism that, according to the Courts below, infringes the Reynolds second patent. Such machines can be used for no purpose whatever other than the manufacture of cotton roving. Petitioner, in order to induce mills to buy this machine for the purpose of manufacturing roving, advertised its virtues highly to the trade. (2 App., 8-13). The Court found direct infringement as to the three mechanism claims 25, 27, and 28, and therefore, these machines are susceptible of no use whatever except infringing use.

The doctrine of contributory infringement is settled beyond question and there could be no clearer example of contributory infringement. The Circuit Court held that the process claims were infringed, and it was unnecessary for the Court to characterize the infringement either as direct or contributory.

In the District Court the petitioner itself asked for a declaratory judgment on both validity and infringement. Validity and infringement having been established pursuant to petitioner's request for a ruling on both, it is better, as a practical matter, to hold the manufacturer responsible at the source, and thus stop the sale of machines capable only of infringing use, than to compel respondents to sue all the mills that purchase such machines.

Furthermore, the granting of the writ on this sole ground would accomplish nothing because, if it should be held that the Circuit Court was in error on this point alone, the holding of the Circuit Court to the effect that respondent infringes mechanism claims 25, 27 and 28 would stand, and would require affirmance of the judgment.

The case of *Mercoïd Corporation v. Mid-Continent Investment Company, et al*, 320 U.S. 661, has no application here. That case holds that when the doctrine of contributory infringement comes in conflict with the public policy against monopolies not protected by patents, public policy will prevail to such an extent that the owner of the patent will not be permitted to use the same to obtain a monopoly on unpatented and unpatentable articles. The doctrine of the Supreme Court is that one who undertakes to use a patent for the purpose of obtaining a monopoly on unpatented articles will be denied relief because he does not come into Court with clean hands. It has never been claimed that respondents came into court with unclean hands. Under the

findings of the District Court, affirmed by the Circuit Court, the defendant is the only one tainted with unclean hands, in the wrongful use of confidential information.

Conclusion

It is respectfully submitted that the petition should be denied.

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